

EXHIBIT 3

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In Re: : Chapter 11
: Case No.
W.R. GRACE & CO., et al, : 01-01139 JKF
: (Jointly
Debtors : Administered)

Monday, May 4, 2009

Continuation of oral
deposition of PETER VAN N. LOCKWOOD,
ESQUIRE, taken pursuant to notice, was
held at the offices of CAPLIN & DRYSDALE,
One Thomas Circle N.W., Suite 1100,
Washington, DC 20005, commencing at
12:05 p.m., on the above date, before
Lori A. Zabielski, a Registered
Professional Reporter and Notary Public
in and for the Commonwealth of
Pennsylvania.

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6 PETER VAN N. LOCKWOOD, ESQUIRE

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20 NO. DESCRIPTION PAGE
21 17 Notice of Deposition of
22 Asbestos PI Committee Pursuant
23 to Rule 30(b)(6) 460
24 18 Exhibit 8 to Exhibit Book 460
25 - - -

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5 Direction to Witness Not to Answer:

6 Page Line Page Line
7 620 11 632 14
8
9

10 Request for Production of Documents:

11 Page Line Page Line
12 NONE
13
14

15 Stipulations:

16 Page Line Page Line
17 12 02
18 (Previously)
19

20 Area(s) Marked Confidential:

21 Page Line Page Line
22 NONE
23
24

1 - - -
2 PETER VAN N. LOCKWOOD,
3 ESQUIRE, after having been first
4 duly sworn, was examined and
5 testified as follows:
6 - - -

7 PROCEEDINGS
8 - - -

9 (ACC 30(b)(6)-17 and 18
10 premarked for identification at
11 this time.)
12 - - -

13 MR. COHN: Go ahead,
14 Mr. Schiavoni.

15 MR. SCHIAVONI: I just
16 wanted to object. We have written
17 the Libby claimants separately
18 about this, but we object to them
19 doing any questioning of
20 Mr. Lockwood on the grounds that
21 the Libby claimants are members of
22 the committee; they have not
23 objected to Mr. Lockwood's
24 designation to testify on behalf

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1 of the committee; nor have they
2 offered in response to requests
3 any alternative witness to testify
4 on any topics on which they
5 disagree with Mr. Lockwood.

6 We see Mr. Lockwood's
7 testimony and the failure of the
8 Libby claimants to object to the
9 designation of Mr. Lockwood as an
10 adoptive omission by the Libby
11 claimants, and we object to any
12 questioning by them as essentially
13 questioning seeking to impeach
14 their own witness. Thank you.

15 MR. COHN: You are welcome.
16 We will respond to your
17 correspondence, but, for the
18 moment, let's simply say that we
19 reject the basis for your
20 objection.

21 MR. SCHIAVONI: If there are
22 any topics that the Libby
23 claimants object to Mr. Lockwood's
24 designation on, we need to know

<p style="text-align: right;">Page 614</p> <p>1 THE WITNESS: Actually, the 2 answer to that depends on 3 precisely what the Texas appeal at 4 courts decided. If they decided 5 that they were going to remand for 6 a new trial, then your question is 7 correct, they would have an 8 unliquidated claim. 9 If somehow or another -- I 10 don't think this is possible based 11 on the nature of the appeal, but 12 if, for some reason or another, 13 they would decide that the claim 14 was invalid, then I don't think 15 the Edwards claimants would have a 16 claim against the Trust, either, 17 because I think res adjudicata 18 would apply to the Trust as much 19 as it would apply to Grace or 20 Fireman's Fund, for that matter. 21 BY MR. PLEVIN: 22 Q. Okay. If you could look at 23 Section 5.6 on page 35. 24 Does this section have any</p>	<p style="text-align: right;">Page 616</p> <p>1 am using treatment in a more 2 generic sense because the Plan 3 provides for the treatment, which 4 is to channel it to the Trust, and 5 this is the detail of how the 6 Trust is going to deal with it 7 once it gets there. 8 BY MR. PLEVIN: 9 Q. If you look at the footnote 10 8 that you referenced on page 35, an 11 allowed claim by Fireman's Fund would be 12 classified as an indirect PI Trust claim 13 pursuant to subclause (y); is that your 14 understanding? 15 A. Well, actually, you got to 16 strike the word "allow" because there 17 won't be any allowance. 18 Q. I understand. You have 19 explained that before. 20 A. A quick look at this 21 suggests to me that (y) is the correct 22 place for it. 23 Q. Can you think of any other 24 TDPs or plans in asbestos bankruptcies</p>
<p style="text-align: right;">Page 615</p> <p>1 impact on the classification of the 2 Fireman's Fund claim or the treatment of 3 the Fireman's Fund claim? 4 MR. FINCH: Objection, 5 compound. 6 THE WITNESS: Well, I don't 7 think it has any impact on the 8 classification of the claim, 9 because, as footnote 8 points out, 10 the classification occurs in the 11 Plan, and this simply incorporates 12 the Plan definition. 13 On the treatment, this, in 14 effect, is what the Plan provides 15 for the treatment of claims 16 falling within this definition. 17 So assuming that Fireman's Fund's 18 surety bond claim is an indirect 19 PI Trust claim, this would be the 20 section that would provide for its 21 treatment. 22 Although, I want to make 23 clear, treatment is a technical 24 term in the bankruptcy law. And I</p>	<p style="text-align: right;">Page 617</p> <p>1 that provided that claims by entities 2 that had issued supersedeas bonds or 3 letters of credit would be treated as 4 indirect asbestos claims subject to the 5 payment percentage? 6 A. Not off the top of my head. 7 I could go back and look at a bunch of 8 TDPs to see whether there are any such, 9 but I don't remember off the top -- I 10 have to say, my recollection is that the 11 Edwards claim is somewhat unique in my 12 experience in terms of its size and 13 components and status in the bankruptcy 14 case. 15 So it wouldn't necessarily 16 surprise me if the magnitude of that 17 claim was such that it caused us to focus 18 on this question for the first time 19 explicitly in this Plan. But, again, I 20 would really have to go back and look at 21 the TDPs to testify confidently about 22 that. 23 Q. Do you recall that subclause 24 (y), as shown on footnote 8, was inserted</p>

<p style="text-align: right;">Page 642</p> <p>1 even been a little input from the Sealed 2 Air counsel on the TDP. But, again, the 3 primary draftspersons were counsel for 4 the ACC and the FCR. 5 Q. Okay. Can I direct your 6 attention to the Plan, which I guess is 7 ACC-5, and specifically it's page 70 on 8 my copy. It's under Section 7.7 9 Conditions to Occurrence of the 10 Confirmation Date, specifically condition 11 (j). 12 A. I see it. 13 Q. Can you just take a moment 14 to read that? I have one question on 15 that. 16 A. I have read it. 17 Q. In the portion of that 18 condition dealing with asbestos PD 19 claims, second-to-the last line, you will 20 see the words "if any" appear there, but 21 the same language doesn't appear for 22 asbestos PI claims. 23 Why? 24 MR. FINCH: Objection,</p>	<p style="text-align: right;">Page 644</p> <p>1 demands, or if there are, they 2 will be valid. 3 MR. BROWN: Okay. That's 4 all I have. 5 MR. FINCH: Could you go 6 back to the question I asked you 7 to find and read that question and 8 read the answer, and I will see if 9 I have got any redirect. 10 Does anybody else have any 11 questions? 12 (No response.) 13 MR. FINCH: Hearing none, 14 let me just hear that back. 15 (The reporter read from the 16 record as requested.) 17 MR. FINCH: No questions. 18 I think that is the end of 19 the deposition. 20 (The deposition concluded at 21 4:19 p.m.) 22 23 24</p>
<p style="text-align: right;">Page 643</p> <p>1 foundation. 2 THE WITNESS: I need to talk 3 to my counsel about this one. 4 (There was a discussion held 5 off the record between the witness 6 and counsel at this time.) 7 MR. FINCH: The discussion 8 was with respect to whether I need 9 to instruct him not to answer the 10 question. He is allowed to answer 11 the question as long as doing so 12 doesn't reveal privileged 13 communication. 14 I think you can answer. 15 THE WITNESS: Barely. 16 The "if any" is in there, as 17 best I can recall, because the 18 Plan proponents -- in contrast of 19 PI, "if any" is under PD. Because 20 the Plan proponents are quite 21 confident that there is going to 22 be lots of future PI demands and 23 are less confident that there is 24 going to be lots of future PD</p>	<p style="text-align: right;">Page 645</p> <p>1 CERTIFICATE 2 3 4 I HEREBY CERTIFY that the witness 5 was duly sworn by me and that the 6 deposition is a true record of the 7 testimony given by the witness. 8 9 10 11 12 13 _____ 14 Lori A. Zabielski 15 Registered Professional Reporter 16 Dated: May 5, 2009 17 18 19 20 (The foregoing certification 21 of this transcript does not apply to any 22 reproduction of the same by any means, 23 unless under the direct control and/or 24 supervision of the certifying reporter.)</p>

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INSTRUCTIONS TO WITNESS

Please read your deposition over carefully and make any necessary corrections. You should state the reason in the appropriate space on the errata sheet for any corrections that are made.

After doing so, please sign the errata sheet and date it.

You are signing same subject to the changes you have noted on the errata sheet, which will be attached to your deposition.

It is imperative that you return the original errata sheet to the deposing attorney within thirty (30) days of receipt of the deposition transcript by you. If you fail to do so, the deposition transcript may be deemed to be accurate and may be used in court.

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ACKNOWLEDGEMENT OF DEPONENT

I, _____, do

hereby certify that I have read the foregoing pages, 1- PGS, and that the same is a correct transcription of the answers given by me to the questions therein propounded, except for the correction or changes in form or substance, if any, noted in the attached Errata Sheet.

WITNESS NAME _____ DATE _____

Subscribed and sworn

to before me this

_____ day of _____, 20____.

My commission expires:

Notary Public

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ERRATA

PAGE LINE CHANGE

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LAWYER'S NOTES

PAGE LINE